

Chapter 9

Sustainable Economic Intelligence: A New Dimension of Information Provided by Non-Financial Indicators

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ABSTRACT

Sustainable economic intelligence, as a form of superior manifestation of an economy based on knowledge and innovation requires the management, quantification, monitoring, and reporting of non-financial information by economic entities (environmental issues, social and personnel aspects, respect the human rights and combating corruption) defined in relation to the average number of employees, total balance sheet, and net turnover. These elements, combined in the non-financial statements of economic entities, are decisive in achieving the transition to a sustainable global economy, combining profitability with social responsibility and environmental protection. The purpose of this scientific research is to achieve a systematization of the main non-financial performance indicators relevant to the activity of economic entities in Romania in order to favor sustainable economic growth and ensure transparency for stakeholders.

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INTRODUCTION

Industry, the indispensable engine of economic growth, for its products, a true foundation of contemporary living standards, uses natural resources along the entire value chain, from raw material extraction and exploitation, to product transformation, energy consumption, generation of waste and the use and disposal of products by consumers (Institute for Economics and Peace, 2015). Globally, in order to ensure sustainable development, an astringent need to reorganize industries is identified to address today's society's needs without compromising the ability of future generations to meet their own needs (World Commission on Environment and Development, 1987). Thus, encourages industry and industrial operations to streamline their resource consumption, minimize the amount of waste generated and reduce pollution. At the same time, it is recommended to increase the use of renewable resources to minimize adverse effects on the environment and human health (AlphaBeta, 2017; Schmidt-Traub, 2015).

The European Union promotes resource efficiency and environmental impact reduction through the transition to a circular economy where the value of products, materials and resources is maintained in the economy for as long as possible and pollution and waste generation are minimized (European Commission, 2018). The European Strategy for Bio-Economy supports the modernization and consolidation of the industry by creating cost-effective and ecological industrial chains and processes (European Commission, 2018). The European Commission defines the social responsibility of economic entities as a voluntary way of integrating social, environmental, human and consumer protection concerns into their economic activities, strategies and interactions with stakeholders (European Commission, 2001b). The European Parliament has confirmed the importance of the publication by economic entities of information on sustainability, namely social and environmental factors, in order to quantify the sustainability risks. In this context, the presentation of non-financial information (environmental, social and personnel aspects, respect for human rights and the fight against corruption and bribery) contributes to measuring, monitoring and managing the performance of economic entities and their impact on society (European Parliament, 2014).

Integrating environmental information into industrial planning and decision-making leads to real-time resource and energy consumption evidence, ensuring future resource efficiency, waste reduction, recycling and resource reuse (Ellen Macarthur Foundation, 2015). Economic entities play a key role in the transition to sustainable development (Dvořáková, & Zborková, 2014), integrating in their mission and strategy an essential element, namely social and environmental responsibility, as long-term responsible behavior can contribute to profit growth to the emergence of new market opportunities (European Commission, 2019). Sustainable consumption and production aim to reduce the environmental footprint and involve changing the way economic entities produce, distribute and consume goods and resources (B&S Development Commission, 2017). In order to create a social climate leading to smart growth and social governance, efforts need to be multilaterally concentrated at all macro and micro levels on social responsibility standards, the use of information provided by non-financial indicators thus contributing favorably to the development of sustainable economic intelligence in the economic entities in particular and at the socio-economic level in general (Panayiotou, Aravossis, & Moschou, 2009; Târțiu, Ștefănescu, Petrace, & Gurau, 2019).

In general, the meaning attributed to the domain of economic intelligence in the specialized work involves identifying, searching, collecting, treating, disseminating and exploiting information useful for substantiating decisions at an economic entity level. The definitions given by the specialists reflect the different opinions expressed by them: economic intelligence “represents a set of coordinated actions of

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